- (c) If the State funds the application, each subgrantee shall:
- (1) Carry out the activities that the subgrantee agreed to carry out; and
- (2) Use the funds in accordance with Federal requirements.
- (d) Each subgrantee shall use an accounting system that permits identification of the costs paid for under its subgrant.

(Authority: 20 U.S.C. 1221e-3 and 3474)

§ 76.304 Subgrantee shall make subgrant application available to the public.

A subgrantee shall make any application, evaluation, periodic program plan, or report relating to each program available for public inspection.

(Authority: 20 U.S.C. 1221e-3, 1232e, and 3474)

Subpart E—How a Subgrant Is Made to an Applicant

§ 76.400 State procedures for reviewing an application.

A State that receives an application for a subgrant shall take the following steps:

- (a) *Review.* The State shall review the application.
- (b) Approval—entitlement programs. The State shall approve an application if:

- (1) The application is submitted by an applicant that is entitled to receive a subgrant under the program; and
- (2) The applicant meets the requirements of the Federal statutes and regulations that apply to the program.
- (c) Approval—discretionary programs. The State may approve an application if:
- (1) The application is submitted by an eligible applicant under a program in which the State has the discretion to select subgrantees;
- (2) The applicant meets the requirements of the Federal statutes and regulations that apply to the program; and
- (3) The State determines that the project should be funded under the authorizing statute and implementing regulations for the program.
- (d) Disapproval—entitlement and discretionary programs. If an application does not meet the requirements of the Federal statutes and regulations that apply to a program, the State shall not approve the application.

(Authority: 20 U.S.C. 1221e-3 and 3474)

§ 76.401 Disapproval of an application—opportunity for a hearing.

(a) State agency hearing before disapproval. Under the programs listed in the chart below, the State agency that administers the program shall provide an applicant with notice and an opportunity for a hearing before it may disapprove the application.

Program	Authorizing statute	Implementing regulations Title 34 CFR Part
Chapter 1, Program in Local Educational Agencies	Title I, Chapter 1, Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 2701–2731, 2821–2838, 2851–2854, and 2891–2901).	200
Chapter 1, Program for Neglected and Delinquent Children	Title 1, Chapter 1, Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 2801–2804).	203
State Grants for Strengthening Instruction in Mathematics and Science.	Title II, Part A, Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 2981–2993).	208
Federal, State, and Local Partnership for Educational Improvement.	Title I, Chapter 2, Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 2911–2952 and 2971–2976).	298
Assistance to States for Education of Handicapped Children	Part B, Individuals with Disabilities Education Act (except Section 619) (20 U.S.C. 1411–1420).	300
Preschool Grants	Section 619, Individuals with Disabilities Education Act (20 U.S.C. 1419).	301
Chapter 1, State-Operated or Supported Programs for Handicapped Children.	Title 1, Chapter 1, Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 2791–2795).	302